CHARLES E. SCHUMER
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COMMITTEES:

BANKING
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RULES

United States Senate

WASHINGTON, DC 20510

March 2, 2005

William H. Donaldson
Chairman
Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549

Dear Chairman Donaldson,

I write today to ask that the Securities Exchange Commission launch a formal investigation into the sale of almost 500,000 shares of ChoicePoint stock by two of the Company's top executives, CEO Derek Smith and President Douglas Curling, beginning in November 2004 and ending last month for a $17 million profit. The sales were made within weeks of ChoicePoint learning of a major security breach in which personal security information for almost 145,000 people had been lost. At the time, this security breech was kept hidden from the public at the request of the Federal Bureau of Investigation. Since both Mr. Smith and Mr. Curling were privy to information about the security breech before their fellow shareholders could have been, I am asking that you investigate whether this activity constitutes inside trading by these top ChoicePoint executives.

When the ChoicePoint security breach was finally made public on February 15, the company's stock went down as much as 14 percent to $39.30. However, fortunately for Mr. Smith and Mr. Curling they had been able to exercise options and sell stock during the four month period before the scandal broke. In fact, according to SEC filings, between November and February, Mr. Smith sold almost 340,000 shares at a profit of almost $13 million, and Mr. Curling sold almost 134,000 shares at a profit of about $4 million.

The time between the October security breach and the public announcement by ChoicePoint was designed to help the FBI catch those responsible for this security breach, not as carte blanche for inside traders intent on making a fast buck while the public remained in the dark.

A full investigation into the stock transactions seems highly warranted and I thank you for your attention to this matter. I look forward to hearing from you soon.

Sincerely,

Charles E. Schumer